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IN THE

Supreme Court of the United States

October Term, 1976
No. 76-219

INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION,

Petitioner,

vs.

RAYCHEM CORPORATION,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

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Preamble.

Petitioner International Telephone & Telegraph Corp. (ITT) seeks a writ of certiorari with regard to two asserted questions.

The first asserted question, *viz.*, whether the Court of Appeals for the First Circuit affirmed the District Court's holding of patent validity over the prior art with due regard to this Court's decisions in *Sakraida v. Ag Pro, Inc.*, ... U.S. ...., 47 L.ed.2d 784 (1976) and *Graham v. John Deere Co.*, 383 U.S. 1 (1966), is not fairly based on the record because it is clear from the decision of the Court of Appeals (not yet officially reported, but reproduced at A-1 and A-15 of the appendix to Petitioner's Brief[1]) that it carefully and expressly took into account the principles of *Gra-*

[1]As used herein, "A-....." refers to Appendix A of Petitioner's Brief, "B-....." refers to Appendix B of Petitioner's Brief and "Pet. Br. ....." refers to Petitioner's Brief.

ham (A-6, 11) and *Sakraida* (A-7, 11). We believe it fair to say that ITT manufactured its first "question" by a highly selective reading of the First Circuit's decision.

The second asserted question, *viz.*, whether the First Circuit Court of Appeals correctly affirmed the District Court's factual finding that the patent in suit complies with the requirement of 35 U.S.C. 112 that patents disclose the best mode contemplated by the inventor of carrying out his invention, is simply the effort of a dissatisfied litigant to have this Court review the evidence and make a new finding of fact.

Manifestly, neither of the questions asserted by ITT rises to a level of importance warranting attention by this Court. Rather, even though there have been concurrent holdings of patent validity by the District and Appellate Courts in this case, ITT's petition is nothing more than an effort to relitigate this issue in this Court, a practice this Court has repeatedly discouraged, *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275, 278 (1944); *Williams Mfg. Co. v. United Shoe Machinery Corp.*, 316 U.S. 364, 367 (1942).

The Decision by the Court of Appeals Is Not in Conflict With Sakraida or Other Decisions of This Court.

The basic thrust of ITT's argument is that the Court of Appeals ignored the principles relating to a holding of unobviousness enunciated by this Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). But the fact of the matter is that the Court of Appeals expressly referred to, and quoted from, (A-6) that portion (383 U.S. 17) of the decision in *Graham* which states those principles which ITT claims (Pet. Br. 12) were ignored.

A fair reading of the decision by the First Circuit leaves no doubt that the prescription of *Graham* was given full effect. After quoting from *Graham* and referring to several appellate decisions which apply *Graham* (A-6), the Court of Appeals noted (A-7) that:

> "ITT's contentions concerning obviousness thus resolved themselves into claims that the District Court's findings were clearly erroneous."

The Court then reviewed the prior art and compared it with the patent claims at issue (A-8 to A-10) in precise conformance with *Graham's* teachings, again referred to *Graham* (A-11), and finally concluded that it was appropriate to affirm the District Court's "judgment that the patent was *not obvious*" (A-11, emphasis added).

In spite of all this, ITT has seen fit to argue that the Court of Appeals sustained the patent "*solely* on the basis that the combination produces a sufficient synergistic effect" (Pet. Br. 9) and that "the Court of Appeals held that 'a sufficient synergistic effect' established patentability as a matter of law in a combination which was obvious in accordance with the standard of *Graham*" (Pet. Br. 8). These arguments go beyond the bounds of advocacy; they are outright distortions.

The Court of Appeals, *in addition* to observing the principles of *Graham, also* examined the record to determine whether the patented combination produced a synergistic effect of the type found lacking in *Sakraida v. Ag Pro, Inc.*, ... U.S. ...., 47 L.ed.2d 784 (1976) and found that such synergistic effect *was present here* (A-7). Indeed, ITT does not seriously contest the existence of a synergistic effect, but, as noted above, simply restates its arguments with regard to the prior art which have uniformly been rejected by the District Court and the Court of Appeals.

The Invention Is Obvious.

The holding of unobviousness by the District Court and the Court of Appeals was based on evidence similar in nature to that reviewed by this Court in *United States v. Adams*, 383 U.S. 39 (1966). In the present case, the invention comprises an insulated wire and a material useful for insulating wire comprising a first layer of cross-linked polyolefin (such as cross-linked polyethylene) and an outer jacket of cross-linked polyvinylidenefluoride (uncross-linked polyvinylidenefluoride is sold commercially as Kynar). ITT repeatedly mischaracterizes the invention as the combination of Kynar and polyethylene without making reference to the cross-linked state of those materials (Pet. Br. 4, 5, 6, 7).

At the time the invention was made, the extremely heavy weight of wire insulation having good elevated temperature properties, such as ITT's Teflon-insulated wire, was causing serious problems, particularly with regard to aircraft which typically contained thirty (30) miles of wire (A-3, B-4, 6) and it was a major contribution of the patented wire that it provided excellent temperature properties such as low flammability and service life for ten thousand hours at elevated temperatures as well as excellent solvent resistance, abrasion resistance, flexibility, processability, and notch insensitivity as well as, of course, the required high performance as an insulating material for electricity (A-3, B-3-4). Furthermore, the evidence established that, at the time the invention was made, there were 50 to 75 polymer materials available for use as insulating materials for wire (A-3, 4, B-5). This means, when the possibility of cross-linking one or both layers in a two-layer construction is taken into account, that

the number of possible dual layer insulations at that time was more than 20,000. No wonder that the District Court likened the possibility of finding a suggestion for the invention in the prior art to discovering the combination of a safe from a mere inspection of the dial thereof (B-8), citing *In re Luvisi*, 342 F.2d 102, 107 (C.C.P.A. 1965). Furthermore, the evidence established, and the District Court found, that the industry trend was *away* from double-layer insulation and *toward* single-layer insulation at the time the invention was made (B-12). This alone would be an overwhelming demonstration of the unobviousness of the invention. However, there is more.

The widely accepted method of determining the "temperature rating" of a wire, *i.e.*, the temperature at which it will function effectively for at least 10,000 hours, is to engage in short-term, high temperature testing and to extrapolate, by extending a line plotted on a graph from the short-term testing to the 10,000 hour point, the data to obtain the temperature rating, a practice adopted for the entirely practical reason that testing for 10,000 hours consumes a prohibitively large amount of time. The insulation of the patented invention was unique in that its temperature plot demonstrated a "dog-leg" which would not be revealed by typical short-term testing (A-4, 5, B-5, 6). Mr. Campbell, of the Naval Research Laboratory, an acknowledged expert in heat-age testing for wire, stated that the patented insulation had a temperature rating which was unpredictably high (B-13) and that the patented insulation was the only one of which he was aware which demonstrated a dog-leg plot rather than a straight line.

As demonstrated by the thorough discussion of the prior art by the Court of Appeals (A-8 to A-10) and the District Court (B-9 to B-12), although cross-linked polyethylene had been used as a low-temperature wire insulation and cross-linked Kynar had been proposed as a single-wall insulating material for wire, there was absolutely no suggestion in the prior art for using them together. Indeed, ITT itself began working with Kynar several years prior to the time when the patented invention was made but, as its technician testified:

> "We put it *on the shelf*, I guess is a good way to put it." (Appellate Appendix Exhibit 553).

Furthermore, after the patented invention came to ITT's attention, its technical director Nicoll was highly skeptical that the insulation was entitled to the temperature rating claimed for it and stated that the insulation comprised materials "with a somewhat suspect reliability record" (Appellate Appendix Exhibit 357).

Finally, it is uncontested that, for over a decade, ITT has been able to find no alternative but to copy the patented wire insulation.

Thus, this case has a striking similarity to the factual setting of *United States v. Adams*, 383 U.S. 39 (1966) where the invention comprises a battery in which magnesium and cuprous chloride were used as electrodes. Each of these materials had previously been used in electrodes in combination with *other* materials but *not in combination with each other*. At 383 U.S. 50, this Court said:

> "It begs the question and overlooks the holding of the Commissioner and the Court of Claims, to state merely that magnesium and cuprous chloride were individually known battery components. If such a combination is novel, the issue is whether bringing them together as taught by Adams was obvious in light of the prior art . . ."

Here, the choice of combining two insulating materials out of more than 20,000 possible candidates, an approach directly opposite to the industry trend away from dual wall insulation, the unique combination of properties possessed by the resulting insulation, the lack of predictability from short-term testing because of the dog-leg and the fact that the temperature rating achieved by the insulation of the invention "was higher than the rating given to either of its components" (B-13) constitutes even more compelling evidence of unobviousness than that present in *Adams* and ample evidence of the synergism found to be lacking in *Sakraida v. Ag Pro, Inc.* .... U.S. ...., 47 L.ed.2d 784 (1976).

ITT's First Question Merely Seeks an Advisory Opinion.

Somewhat remarkably, although each of the decisions below devotes attention to the surprising results obtained when antimony oxide is added to the cross-linked polyethylene layer of the insulation (A-5, B-6) and this use of antimony oxide is recited in Claim 3 of the patent in suit and even though all of the infringing product manufactured by ITT since April, 1965, has infringed Claim 3 (B-20), ITT's contentions concede, by reason of ITT's failure to assert any argument going to the validity of Claim 3, that Claim 3 recites an invention patentable over the prior art. Thus, even if ITT were to prevail on its arguments with regard to its first question, the outcome of this

litigation *would not be changed*. Hence, ITT is seeking nothing more than an advisory opinion with regard to its first question and grant of certiorari would be a meaningless exercise. It requires no citation of authority to establish that advisory opinions are disfavored in all courts and that this is particularly so with regard to exercise of certiorari jurisdiction.

The Fact Question Regarding Best Mode.

It is plain that the question of whether a patent complies with the prescription of 35 U.S.C. 112 that it "set forth the best mode contemplated by the inventor of carrying out his invention" is one of fact and the only appellate court decision cited by ITT so holds, *Flick-Reedy Corp. v. Hydro-Line Manufacturing Co.*, 351 F.2d 546, 551 (7 Cir. 1965). By seeking to have this Court once again review the evidence as to factual compliance with this statutory requirement, ITT attempts that which this Court has consistently and repeatedly held it will not do, *i.e.*, "grant a certiorari to review evidence and discuss specific facts", *Rogers v. Missouri Pacific Railroad Co.*, 352 U.S. 500, 537 (1957) (separate opinion of Mr. Justice Frankfurter, citing numerous cases to this effect).

Furthermore, this fact issue has uniformly been decided against ITT by the District Court and the Court of Appeals. ITT's argument with regard to the best mode issue suggests no principle of public importance nor would such suggestion be possible. If, as stated in *National Labor Relations Board v. Pittsburgh Steamship Co.*, 340 U.S. 498, 502 (1951) certiorari is to be granted only "in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases

where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal", it would be hard to imagine a case less appropriate for grant of certiorari than the present case.

In addition to the lack of public importance attaching to ITT's best mode question, ITT cites only one appellate court decision, *Flick-Reedy, supra,* and indicates no conflict in the circuits. In the present case, the Court of Appeals, after noting (A-12) that the "copolymers and Compound X were *not used* to *change* the *properties* of the finished product . . .", readily distinguished *Flick-Reedy* as follows (A-13):

> "That Compound X is *not essential* to the production of the patented wire distinguishes this case from *Flick-Reedy Corp. v. Hydro-Line Manufacturing Co.*, 351 F.2d 546, 550-551 (7 Cir. 1965), which invalidated a product patent for failure to disclose the specifications of a 'special tool' *essential* to the successful reproduction of the product." (Emphasis added).

In the present case, the evidence was overwhelming that the subject matter of ITT's best mode assertion had *nothing to do with the invention* (A-12, 13), *viz.*, the wire insulation, and thus was not within the ambit of 35 U.S.C. 112 which goes to the best mode contemplated by the inventor of carrying out "*his invention*". ITT had, for over a decade, no difficulty in copying the patented invention and extensive evidence established that there was no difference in the properties of wire insulation with and without the extrusion aids (Appellate Appendix Exhibit 383) which ITT claims were not disclosed.

The proof of the pudding is that ITT had ample opportunity, and stated its intention, to present evidence indicating that the examples given in the patent would give poor results, *but* ITT did *not* avail itself of this opportunity nor follow through with its stated intention and the record is bare of any indication that the patent does not disclose the best mode of the wire insulation known to the inventors. When a company with the resources of ITT does not present such evidence, it is because such evidence does not exist, *Interstate Circuit, Inc. v. United States,* 306 U.S. 208, 226 (1939) and it is entirely appropriate to conclude, as did both the District Court and the Court of Appeals, that ITT's best mode contention is simply argument without foundation.

The only other decision cited by ITT, *Stelos v. Hosiery Motor-Mend Corp.*, 60 F.2d 1009 (S.D.N.Y. 1932) was a case in which method claims were held invalid only when it was shown that the *claims* called for a "suitable holder", but that the specific suitable holder which the patentee spent much time developing was not disclosed. No such recitation appears in the claims here.

Conclusion.

Certiorari should not be granted in this case because:

1. ITT's first question is premised on a serious distortion of the decision by the Court of Appeals which decision, ITT notwithstanding, clearly took into account the principles pronounced by this Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966) and, in any event, ITT's first question seeks only an advisory opinion.

2. ITT's second question seeks review of a factual finding made by the District Court and unanimously affirmed by the Court of Appeals, which finding involved no principle of public importance; nor does it create a conflict among the Circuits.

The United States Government has been granted a royalty-free license under the patent in suit (A-5, B-7) for wire procured from any source, including ITT. What remains is a private dispute which has repeatedly been decided in Raychem's favor and which does not warrant attention by this Court.

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